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Farm Broadcasters Letter



PROCUREMENT SECTION
CURRENT SERIAL RECORDS

Letter No. 2341

December 10, 1987

SALES TO USSR

Private exporters reported to the U.S. Department of Agriculture export sales of 275,000 metric tons of wheat for delivery to the USSR during the 1987-88 marketing year and under the fifth year of the Long Term Grain Supply Agreement signed on Aug. 25, 1983. The wheat sale consists of 250,000 tons of hard red winter wheat and 25,000 tons of hard red spring wheat. Sales during the 1987-88 marketing year total nearly 4 million tons, of which wheat is nearly 2½ million tons and corn is just over 1½ tons.

MORE WHEAT TO USSR

The Commodity Credit Corporation of the U.S. Department of Agriculture has accepted bids for export bonuses to cover sales of 250,000 metric tons of hard winter wheat to the Soviet. The bonuses awarded by USDA averaged \$39.89 per ton. Over 2¼ million tons of wheat are still available to the Soviet Union under the Export Enhancement program.

OUTLOOK FOR HOGS

The net returns to hog producers in 1987 have been favorable due to high hog prices and low feed costs, according to a report at the recent U.S. Department of Agriculture Outlook Conference. However, returns have dropped in recent weeks as sharply higher pork production knocked hog prices down from the low \$60's per hundredweight to the low \$40's. Feed costs have increased a little, but are still relatively low. The outlook for 1988 is net returns for farrow-to-finish producers to be near the breakeven level as pork production increases sharply. The increase in pork production will likely result in hog prices averaging around \$40 per hundredweight next year. Feed costs are expected to rise modestly.

FEED GRAIN OUTLOOK

The supply of feed grains for the 1987/88 crop year totals 370 million 400 thousand metric tons, 2.4 percent less than the record supply of 379 million 500 thousand tons available last year, according to a report at the recent U.S. Department of Agriculture Outlook Conference. Carryin stocks are a record 152 million tons, up 26 million tons from last year. However, production at 217 million tons, is 35 million tons less than the 1986 harvest. Corn, the major component of the feed grain supply, is almost 83 percent of this year's supply. Sorghum accounts for about 10 percent, and barley and oats together represent the balance.

OUTLOOK: FARM INCOME

According to a report at the recent Outlook Conference of the U.S. Department of Agriculture, the net farm income is expected to reach \$40-\$45 billion in 1988. This level is approximately 5 percent less than the 1987 record of \$45 billion, and 8 percent lower after adjustment for the decline in purchasing power caused by inflation. The significance of the 1986/87 improvement in net farm income can be gauged by comparison with the 1970's. In real terms, 1982 dollars, net farm income has again achieved the \$35 billion level prevalent in the 1975-79 period.

1988 OUTLOOK FOR CATTLE

According to a report at the recent Outlook Conference at the U.S. Department of Agriculture, fed beef production in 1988 is expected to remain near the large levels that have occurred since 1982. Nonfed beef production will continue the sharp dropoff which began in 1987 as the cattle inventory started to stabilize. Total beef production will likely decline around 4 percent in 1988, about the same as in 1987. As in 1987, supplies of competing meats will expand to boost total meat production to yet another record, only in 1988 the increase will likely be at the sharpest rate since 1975-76. Large supplies of competing meats at even lower prices will hold down retail price gains for the already relatively more expensive beef.

BEEF EXPORTS TO JAPAN

U.S. beef exports between January and September of 1987 were up 29 percent from a year earlier to 421 million pounds, on a carcass weight basis, according to the U.S. Department of Agriculture. The largest market was Japan, with 269 million pounds, up 9 percent. The continued strength of the yen and the recent increase in Japan's import commitment are responsible for the increase. Another major reason for the increase in 1987 U.S. beef exports has been meat exports mandated to lessen the effects on domestic producers of the Dairy Termination Program.

WET JUST THE TOES

A crop of plump red tomatoes in a California test plot has yielded a likely new world's record of 100 tons an acre for field-grown tomatoes, according to a scientist of the U.S. Department of Agriculture. Less water than normal was needed for irrigating the tomatoes. The scientist developed an underground watering technique in which water and fertilizer were dripped near the plants' roots by thin plastic pipes buried in the soil. No water was deposited on the surface.

INDUSTRY BUYS TOBACCO

U.S. cigarette manufacturers purchased over 287 million pounds of burley tobacco between October 1, 1986, through September 30, 1987, according to the U.S. Department of Agriculture. This excludes the pre-1985 loan stocks. The manufacturers' purchase intentions for the 1986 crop were nearly 304 million pounds. Actual purchases were 94.6 percent of intended purchases.

OCEAN LINER CARGO DIRECTORY

A publication designed to help U.S. agricultural exporters locate seaborne liner services to foreign markets has been issued by the U.S. Department of Agriculture's Office of Transportation. The publication contains a list of overseas ports, a glossary of transportation and trading terms and a section which lists addresses and telephone numbers of port authorities. Copies of the directory are free. Contact: Mark Seidenberg, Office of Transportation, Room 1405 Auditor's Building, USDA, Washington, D.C. 20250. Or call 202-653-6205.

WOOD PRODUCTS EXPORTS U.S. solid wood products exports to all countries for the period of January to September 1987 were \$2 billion 800 million, up 31 percent over the same period last year, according to the U.S. Department of Agriculture. Japan continues to be the leading buyer of U.S. wood products, importing nearly \$1 billion 300 million, a 41 percent increase over 1986's January-September trading activity.

FARMERS HOME HAS COMPUTER SYSTEM The U.S. Department of Agriculture's Farmers Home Administration has installed a computer system that will enable its national, state and district offices to communicate by electronic mail and their county offices to interact with a mainframe computer at Kansas City. The automation project is one of the largest to be undertaken in the U.S. The system includes over 6,000 individual work stations. According to Vance Clark, FmHA administrator, "We expect the computer system to achieve our basic goal of improving FmHA service to farmers and other rural Americans."

FROM OUR RADIO SERVICE AGRICULTURE USA #1593...(Weekly 13½ min documentary) The Department of Agriculture has recently concluded the Annual Outlook Conference in Washington...and some of the questions that were answered are, What will 1988 bring for the people who produce our food? What will it bring for those who simply buy that food at the supermarket? And what will the new year bring to the entire U.S. economy? Gary Crawford provides a capsule version of what the experts are predicting in this edition of Agriculture USA.

AGRITAPE/FARM PROGRAM REPORT #1581...(Weekly reel of news features) USDA news highlights; 1987 deficiency payments, Rural shot in the arm; Expanding seafood farming; Animals in the air.

CONSUMER TIME #1073...(Weekly reel of 2½-3 min features) Recession ahead; Consumer food concerns; Rising CO₂ levels; Winter forecast; Eating out, eating in.

USDA RADIO NEWS SERVICE...Fri, Dec. 18, Agricultural outlook, Foreign ag. trade of the U.S., Catfish outlook report; Tues, Dec. 22, Weekly weather and crop outlook report; Wed, Dec. 30, Export markets for U.S. grains; Thurs, Dec. 31, Ag prices. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

TELEVISION SERVICE programs, A BETTER WAY, DOWN TO EARTH, AGRICULTURAL UPDATE and SATELLITE NEWS are available on satellite Westar IV, audio 6.2 or 6.8 as follows:

Thursdays....AG UPDATE/SATELLITE NEWS, 7:30-7:45 p.m. ET.....Transponder 12D

Saturdays....A BETTER WAY, 10:00-10:30 a.m. ET.....Transponder 9X
ORIGINAL DOWN TO EARTH, 10:30-11:00 a.m. ET.....Transponder 9X
UPLINK SATELLITE NEWS/AG UPDATE, 11:00-11:15 a.m. ET.....Transponder 9X

Mondays.....A BETTER WAY, 8:00-8:30 a.m. ET.....Transponder 12D
REPEAT DOWN TO EARTH, 8:30-9:00 a.m. ET.....Transponder 12D
UPLINK SATELLITE NEWS/AG UPDATE, 9:00-9:15 a.m. ET.....Transponder 12D

A BETTER WAY is also available on The Learning Channel SATCOM 3R, Transponder 2, Audio 6.8 each Friday 11:00 a.m. ET.

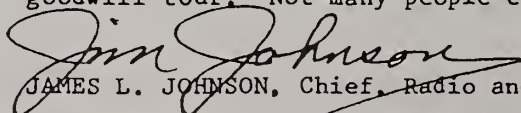
OFFMIKE

Craighton Knau (KMA, Shenandoah, IA) died of a heart attack in his home, December 5. Art Sechrest (WJBC, Bloomington, IL) delivered the eulogy at the December 8 memorial services. Craighton came to KMA in 1976, and he was NAFB president in 1983. Many knew him as a friend and all knew of him as a true professional farm broadcaster. We will miss him ... KMA manager Rich Hull reports he is looking for an associate farm director for the station. The person will fill the position of Mike Leporte who has been promoted to KMA's farm director. If you are interested, call either Rich or Mike at 712-246-5270 ... Two Iowans have been named to the NAFB Agricultural Hall of Fame: Herb Plambeck and Charles Worcester. Herb is in his 51st year as an agricultural communicator and is a past NAFB president. Charles was inducted posthumously. He was killed in a traffic accident in 1961. He had worked with UPI as national farm editor, CBS as network ag editor and with WMT as farm broadcaster.

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Incidentally, we also learned the National Farm-City Board of Directors were to honor Herb Plambeck at an informal luncheon during the board's meeting in Chicago, December 10 for his years of contributions ... Lisa Ray says Bill (Agrinet, Richmond, VA) is doing fine after his operation to remove part of a lung. She says he's walking a couple miles a day and feels great ... Nelson Robinson (Radio-TV, ASCS-USDA) announced he's retiring January 1. His co-worker Eric Parsons will serve as acting head of the ASCS radio-TV branch after Nelson leaves ... Nice conversation today with Layne Beaty (USDA Radio-TV Chief, Emeritus). He reports he and Virginia had just returned from a nine day trip to Jamaica and a nice visit with his son and three grandkids. They even attended a party aboard the aircraft carrier Dwight D. Eisenhower, which was in port on a goodwill tour. Not many people can claim that experience, I'd say.


JAMES L. JOHNSON, Chief, Radio and Television Division